drums grid is urging Government to provide excise duty relief;

(b) if so what is Government's reaction to the repeated representations of the paper industry in this regard; and

(c) what steps Government propose to take to provide relief to the paper industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) to (c) in this year's Budget Government have granted certain concessions from excise duty to the paper industry. Representations have been received subsequently from the paper industry see-: further duty concessions. These have been examined but the Govern-do not and any justification at present for granting further conces-sions.

Abolition of Export Duty on Coffee

3453. SHRI D. B. CHANDRE GOW-Will the Minister of FINANCE *ha* pleased to state:

fa) whether Government have re-1 rep^esntatio'ns in con-the abolition of export duty on coffee;

the small farmers and cultivators have been mainly affected due to thr levy of export duty on coffee; and

(c) what is Government's reaction thereto and by when a final decision is to be taken in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) to (c) Government have received representations seeking abolition of export duty on coffee, inter alia, on the ground that the duty has adversely affected small farmsrs and coffee cultivators.

The representations have been examined. Taking into account various relevant factors such as the trend in international prices, cost of production, export prospects etc Government have reduced the export duty on coffee, from Rs. 1700/- to Rs. 1000[-per tonne with effect from the 18th August, 1988.

Funds for Agricultural Pumps in Maharashtra

3454. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that NAB-ARD's restrictions are prohibiting Land Development Banks and Cooperative Banks to release funds to the Maharashtra State Eelectricity Board to enable it to give electriciy connections for agricultural pumps'; and

(b) if so, what steps Government propose to take to help the farmers?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY oF FINANCE (SHRI EDUARDO FALEI-RO). (a) and (b) Information is be-ing collected and will be laid on the Table of the House to the extent possible.

Charging of Interest on Special Central Assistance to Maharashtra

3455. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state.

(a) whether it is a fact that the Maharashtra Government has requested the Central Government to Pass on the entire component of external aid (Special Central Assistance) to the State and charge the same rate of • interest which is charged by the ex-ternal agency which is giving the aid; and

(b) if So what are the details thereof and the reaction of the Central Government thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEI-RO): (a) and (h) Some States, including Maharashtra, had urged the Government of India to pas$_s$ on the entire amount of external assistance to State Governments and also to charge the rate of interest charged by the external aid giving agency.

For the present, considering all aspects of the case, it has been decided to continue the existing policy under which 70 per cent of the aid disbursed on externally aided projects is passed *on* to State Governments as additional Central assistance of which 30 percent is outright grant and the balance 70 per cent is loan at uniform rates of interest prescribed from time to time (currently 9.75 per cent p.a.)

Release of Unsecured Loan to Kacch-aldara Trading Limited by Unit Trust of India

3456. SHRI BHAGATRAM MAN-HAR:
SHRI BIR BHADRA PRA-TAP SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Kacch-aldara Trading Limited is a subsidiary investment conpany of the Bombay Burmah Trading Corporation Limited;

(b) whether H is also a fact that the Unit Trust of India released Rupees one crore as unsecured loan to Bombay Burmah Trading Corporation without any formalities of sanction/ mortgage, etc. in 1985-86; and

(c) if so, what was the procedure followed while sanctioning loans in 1985-8,6 by the Unit Trust of India and other commercial banks or financial institutions to Bombay Burmah Trading Corporation Limited?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEI-RO): (a) Yes, Sir.

(b) and (c) Unit Trust of ' India (UTI) had released Rs, one crore as unsecured deposit/loan to Bombay Burmah Trading Corporation as per the formalities laid down by the Board *of* Trustees and after completing the formality of sanction. Since this amount was released as unsecured loan, there was no formality of any mortgage. The funds were released to the company only after obtaining the . sanction of the Executive Committee of the Board of Trustees to the proposal made by the company.

' Information relating to sanction of loans to the company by commercial banks or other Financial Institutions is being collected and will be laid on the Table of the House.

Purchase of Shares by the Chairman of Bombay Dyeing

3457. SHRI BHAGATRAM MAN-HAR
SHRI BIR BHADRA PRA-TAP SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Chairman of Bombay Dyeing purchased 14,000 Bombay Dyeing shares, 32.500 Citurgia Chemicals shares and 2000 National Peroxide shares in the years 1985 and 1986; and

(b) if so, what are the sources of funds for such an investment?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC